



Interim Report  
Q1/2013  
Statkraft AS

# Q1

## Key figures

NOK million	First quarter			Year 2012
	2013	2012	Change	
<b>From income statement <sup>1)</sup></b>				
Gross operating revenues, underlying	13 068	11 789	11 %	38 910
Net operating revenues, underlying	6 112	6 025	1 %	19 207
EBITDA, underlying	4 180	4 212	-1 %	11 347
Operating profit, underlying	3 532	3 596	-2 %	8 813
Operating profit, booked	3 863	3 477	11 %	5 679
Share of profit from associated companies and joint ventures	202	418	-52 %	871
Net financial items	-1 837	1 013	-281 %	2 341
Profit before tax	2 228	4 909	-55 %	8 890
Net profit	443	3 430	-87 %	4 671
EBITDA margin, underlying (%) <sup>2)</sup>	32.0	35.7		29.2
ROACE, underlying (%) <sup>3)</sup>	12.9	13.6		13.3
<b>Items excluded from the underlying operating profit</b>				
Unrealised changes in value on energy contracts	331	-179	285 %	-1 030
Significant non-recurring items	-	60	-100 %	-2 105
<b>Balance sheet and investments</b>				
Total assets 31.03./31.12.	148 813	147 896	1 %	146 026
Maintenance investments	207	185	12 %	1 065
Investments in new capacity	1 444	1 782	-19 %	8 073
Investments in shareholdings	8	2 382	-100 %	2 583
Capital employed 31.03./31.12. <sup>4)</sup>	71 340	66 428		70 048
<b>Cash Flow</b>				
Net cash flow from operating activities	4 291	3 993	7 %	10 290
Cash and cash equivalents 31.03./31.12.	7 449	8 002	-7 %	5 440

Effective 1 January 2013, Statkraft has implemented IFRS 11 Joint arrangements. The effect is that five companies previously recognised in accordance with the equity method are now recognised in accordance with proportionate consolidation. The comparative figures have been converted to show the company's financial situation and results in accordance with the new accounting principle.

### Definitions

- <sup>1)</sup> Underlying items have been adjusted for unrealised changes in value of energy contracts and significant non-recurring items, up to and including the operating profit.  
<sup>2)</sup> EBITDA margin, underlying (%): (Operating profit before depreciation x 100)/Gross operating revenues.  
<sup>3)</sup> ROACE, underlying (%): (Underlying operating profit x 100)/Average capital employed (rolling 12 months)  
<sup>4)</sup> Capital employed: Tangible fixed assets + intangible assets + receivables + inventories - payable tax - other interest-free debt + group contribution allocated, not paid.

## Contents

Corporate responsibility and HSE .....	1
Market and production .....	2
Financial performance.....	4
Segments .....	8
Outlook.....	13
Statkraft AS Group Interim Financial Statements.....	14
Selected notes to the accounts .....	19



## GOOD OPERATING PROFIT IN THE FIRST QUARTER



Higher Nordic power prices contributed to a sound profit from operations. The result is characterised by large unrealised currency effects, but this is offset by translation effects which strengthen equity. The Group's financial situation has been strengthened through the sale of shares in E.ON.

Higher Nordic power prices and new production capacity from the Sheringham Shoal offshore wind farm in the UK contributed to a good operating profit in the first quarter of 2013. This was somewhat offset to some extent by lower contributions from market activities and somewhat higher property tax, resulting in a profit from underlying operations (EBITDA) on par with the first quarter of 2012.

The net profit was characterised by significant currency effects. Currency fluctuations in the quarter had a negative impact on The Group's result, while it was currency gains in the same quarter in 2012. This resulted in a reduction of the net profit by NOK 3 billion, to NOK 443 million. The currency effects are mainly unrealised, and this is offset by translation effects which strengthen equity.

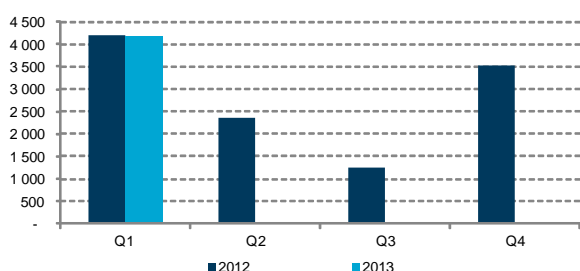
The Nordic market in the quarter was characterised by lower inflow than normal and high consumption as a result of low temperatures. The average power price was 9 per cent higher than in the same quarter in 2012. The Group's power production was 17.4 TWh, unchanged compared with the corresponding quarter in 2012.

The challenges in connection with European gas power continue to be considerable, with low gas production margins and relatively higher coal power competitiveness as a result of low coal and carbon prices. As a consequence, Statkraft has decided to shut down the operation in the German gas power plant Robert Frank. Within renewable energy, Statkraft continued to grow in Germany and the UK, where the Group offers market access for producers without own market operations.

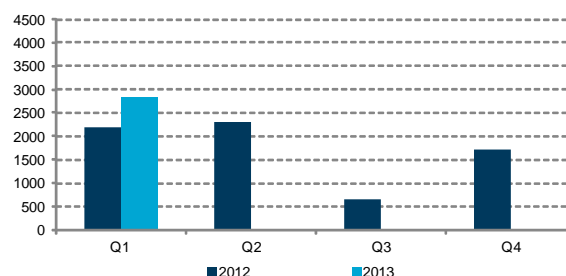
In accordance with the Group's strategy, the project activity level is high as regards wind power, hydropower and district heating. The Group's investment program retains good flexibility, and will adapt investment plans to market outlook and financial strength.

The main objectives in the Group's capital structure management are to ensure sufficient solidity as well as maintaining a strong and long-term credit rating. In order to free up capital for own investments, Statkraft sold 23.4 million shares in E.ON SE in the first quarter for NOK 2.3 billion. The remaining shareholding of 60 million shares was sold after the end of quarter and has released up an additional NOK 6.3 billion.

EBITDA - underlying  
NOK million



Cash flow from operating activities  
NOK million



## Corporate responsibility and HSE

	First quarter		Year 2012
	2013	2012	
<b>Corporate social responsibility and HSE</b>			
Fatalities <sup>1)</sup>	0	0	2
TRI rate <sup>1)2)</sup>	5.5	7.3	7.1
Serious environmental incidents	0	0	0
Full-time equivalents, group	3 511	3 415	3 475
Absence due to illness, group (%)	3.9	3.7	3.1

<sup>1)</sup> Includes employees and suppliers at plants where Statkraft owns 20% or more. Third-party fatalities are not included.

<sup>2)</sup> TRI rate: Number of injuries per million hours worked

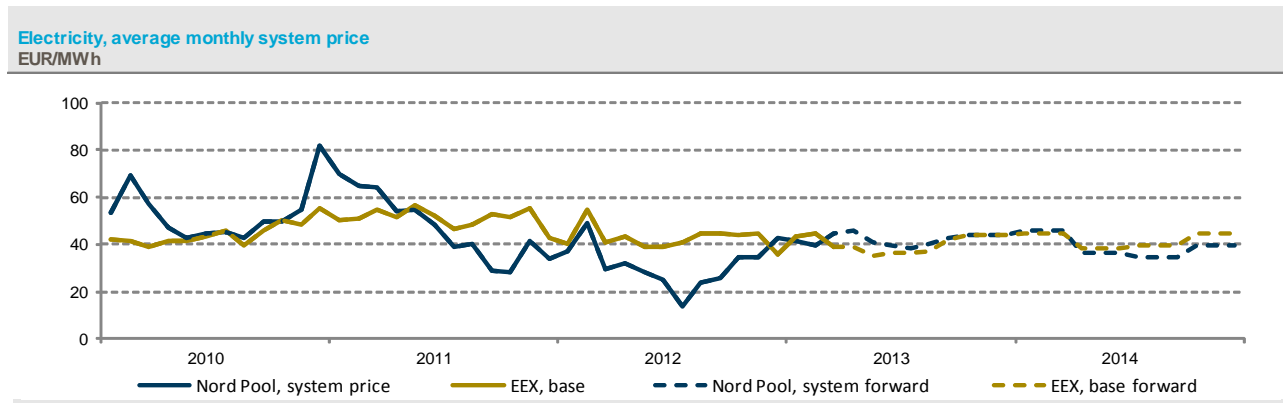
- The TRI rate in the Group was 5.5, an improvement compared with the same period in 2012.
- The Group has not registered any serious environmental incidents in the first quarter.
- Absence due to illness was 3.9%, which is higher than in the same period last year.

The Group works systematically to avoid injuries in all activities. There is a continued strong focus on high-potential incidents. In addition, a decision has been made to introduce self-evaluation of the health and safety work in all units over the course of 2013. Traffic safety in major development projects will be given special attention in 2013.

## Market and production

Power prices, power optimisation and production form the fundamental basis for Statkraft's revenues. The majority of Statkraft's production is generated in the Nordic region and in Germany. The Group is also exposed in markets outside Europe, mainly through the subsidiary SN Power. Power prices are influenced by hydrological factors and commodity prices for thermal power production. Gas is also an input factor in Statkraft's own power production.

### POWER PRICES



Sources: Nord Pool and the European Energy Exchange (EEX)

The average system price in the Nordic region was 42.0 EUR/MWh in the quarter, an increase of 9% compared with the same period in 2012. The increase was primarily the result of:

- Lower inflow than normal
- Higher consumption as a result of lower temperatures

Forward prices in the Nordic region increased through the quarter due to lower reservoir water levels and low temperatures.

The average spot price in the German market was 42.3 EUR/MWh in the quarter, a decline of 7% compared with the same period in 2012. The price decline was characterised by:

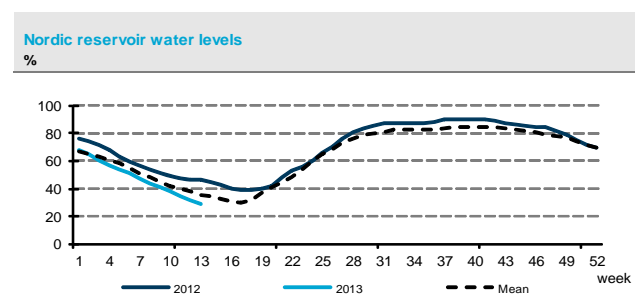
- Good access to thermal power as well as high coal power production
- Increasing renewable power production

Forward prices in Germany fell through the quarter as a result of lower realised prices and continued weak financial outlook.

EUR/MWh	First quarter			Year 2012
	2013	2012	Change	
<b>Prices</b>				
Average system price, Nord Pool	42.0	38.5	9 %	31.3
Average spot price (base), EEX	42.3	45.5	-7 %	42.8
Average spot price (peak), EEX	53.9	56.7	-5 %	53.6
Average gas price, EGT <sup>1)</sup>	28.3	25.1	12 %	25.4

Sources: Nord Pool, European Energy Exchange (EEX) and Eon Gas Trading (EGT).

## CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



Source: Nord Pool.

TWh	First quarter		Year
	2013	2012	2012
<b>Consumption and output</b>			
<b>Nordic</b>			
Nordic consumption	117.3	111.1	375.7
Nordic output	117.2	114.3	370.5
Net Nordic import(+)/export (-)	0.1	-3.2	5.2
<b>Norway</b>			
Norwegian consumption	40.4	37.4	122.0
Norwegian output	39.6	42.3	125.2
Net norwegian import(+)/export (-)	0.7	-4.9	-3.2

Inflow was lower in the period, and the total reservoir water level in the Nordic region was 35.0 TWh at the end of March, corresponding to 80.7% of normal. The reservoirs were filled to 28.9% of capacity (46.5% in 2012), with a maximum reservoir capacity of 121.4 TWh.

In the first quarter, 0.1 TWh was imported to the Nordic region from the Continent, compared with exports of 3.2 TWh in the corresponding period in 2012.

## STATKRAFT'S POWER PRODUCTION

Statkraft's production is determined by water reservoir capacity and reservoir water levels, access to resources (inflow and wind), margin between power and gas prices (spark spread) and power optimisation.

TWh	First quarter			Year
	2013	2012	2012	2012
<b>Production, technology</b>				
Hydropower	16.4	16.5	57.6	
Wind power	0.3	0.3	0.8	
Gas power	0.6	0.6	1.5	
Bio power	0.0	0.0	0.1	
<b>Total production</b>	<b>17.4</b>	<b>17.4</b>	<b>60.0</b>	
<b>Production, geography</b>				
Norway	14.0	14.0	48.3	
Nordic ex. Norway	1.7	2.0	7.1	
Europe ex. Nordic	0.9	0.7	2.1	
Rest of the world	0.7	0.7	2.5	
<b>Total production</b>	<b>17.4</b>	<b>17.4</b>	<b>60.0</b>	

The Group produced a total of 17.4 TWh in the quarter, on par with the same period in 2012.

## Financial performance

The quarterly report shows the development in the first quarter compared with the first quarter of 2012 unless otherwise stated. Figures in parentheses show the comparable figures for the corresponding period in 2012.

Effective 1 January 2013, Statkraft has implemented IFRS 11 Joint arrangements. This has had the effect that five companies previously recognised in accordance with the equity method are now recognised in accordance with proportionate consolidation as described in IFRS 11. The comparative figures have been converted for 2012, and show the company's financial situation and results in accordance with the new accounting principle.

NOK million	First quarter			Year 2012
	2013	2012	Change	
<b>Key figures</b>				
Net operating revenues, underlying	6 112	6 025	1 %	19 207
EBITDA, underlying	4 180	4 212	-1 %	11 347
Profit before tax	2 228	4 909	-55 %	8 890
Net profit	443	3 430	-87 %	4 671

In spite of an underlying EBITDA on par with the first quarter of 2012, the Group's net profit was just under NOK 3 billion lower. The decline is primarily related to the Group's currency losses in the first quarter of 2013, while there were currency gains in the same quarter last year. The currency effects were mainly unrealised.

### EBITDA – UNDERLYING

Underlying EBITDA was marginally lower than in the same quarter of 2012. Net operating revenues increased slightly, primarily due to new production capacity from Sheringham Shoal offshore wind farm in the UK and long-term contracts. The operating expenses also increased slightly, mainly as a result of higher property tax in Norway and Sweden.

### OPERATING REVENUES - UNDERLYING

NOK million	First quarter			Year 2011
	2013	2012	Change	
<b>Net operating revenues, underlying</b>				
Net physical spot sales, incl. green certificates	8 487	7 504	13 %	24 485
Concessionary sales at statutory prices	102	91	12 %	307
Long-term contracts	1 741	1 555	12 %	6 179
Nordic and Continental Dynamic Asset Management Portfolio	55	194	-72 %	525
Trading and origination (excl. market access Germany and UK - renewable)	269	211	27 %	726
Distribution grid	355	318	11 %	1 071
End user	1 590	1 397	14 %	4 024
District heating, energysales	278	213	31 %	655
Other sales revenues	-3	7	-139 %	17
Currency hedging energy contracts	4	16	-76 %	-6
<b>Sales revenues</b>	<b>12 878</b>	<b>11 507</b>	<b>12 %</b>	<b>37 982</b>
Other operating revenues	190	282	-33 %	928
<b>Gross operating revenues</b>	<b>13 068</b>	<b>11 789</b>	<b>11 %</b>	<b>38 910</b>
Energy purchase	-6 653	-5 450	-22 %	-18 678
Transmission costs	-303	-314	3 %	-1 026
<b>Net operating revenues</b>	<b>6 112</b>	<b>6 025</b>	<b>1 %</b>	<b>19 207</b>

- Higher Nordic power prices contributed to increased net physical spot sales.
- New production capacity from the Sheringham Shoal offshore wind farm contributed to an increase in net physical spot sales.
- Revenues from long-term contracts were somewhat higher than in the corresponding quarter in 2012 as a result of higher volumes and price adjustment of the contracts.
- Decline in the Nordic and Continental management portfolio as a result of higher Nordic power prices as well as lower price decline in German power prices in the first quarter of 2013 compared with the same quarter in 2012.
- The revenue increase from the end-user business was offset by a corresponding increase in energy purchases.
- Increase in revenues from district heating activities as a result of higher volumes and prices. Decline in other operating revenues mainly due to sales gains of NOK 65 million for Sjøfossen power plant in the first quarter of 2012.

## OPERATING EXPENSES - UNDERLYING

NOK million	First quarter			Year 2012
	2013	2012	Change	
<b>Operating expenses, underlying</b>				
Salaries and payroll costs	-827	-801	3 %	-3 046
Depreciation and impairments	-648	-616	5 %	-2 534
Property tax and licence fees	-408	-335	22 %	-1 345
Other operating expenses	-698	-678	3 %	-3 469
<b>Operating expenses</b>	<b>-2 580</b>	<b>-2 429</b>	<b>6 %</b>	<b>-10 393</b>

- Higher salaries and payroll costs were due to more employees, wage adjustment, as well as reorganisation provisions for the Robert Frank gas power plant. Lower pension costs, as a result of a higher discount rate, reduced some of the increase.
- The increase in depreciation was mainly due to the completion of the Sheringham Shoal offshore wind farm.
- Higher property tax was due to changed regulations in Sweden and Norway.

## ITEMS EXCLUDED FROM THE UNDERLYING OPERATING PROFIT

Unrealised changes in value for energy contracts and significant non-recurring items have been excluded from the underlying operating profit. The unrealised changes in value are partly due to the Group's energy contracts being indexed against various commodities, currencies and other indices.

NOK million	First quarter		Year 2012
	2013	2012	
<b>Items excluded from the underlying operating profit</b>			
Unrealised changes in value of energy contracts	331	-179	-1 030
Significant non-recurring items	-	60	-2 105
<i>Final settlement of sale of Trondheim Energi Nett</i>	-	60	175
<i>Impairment of property, plant and equipment and intangible assets</i>	-	-	-2 280

- The positive development for energy contracts in the first quarter of 2013 was mainly due to currency effects from long-term power sales agreements entered into in EUR.

## SHARE OF PROFIT FROM ASSOCIATED COMPANIES AND JOINT VENTURES

The Group has major shareholdings in the regional Norwegian power companies BKK and Agder Energi, as well as shareholdings in companies outside Norway, where much of the activity takes place through participation in partly-owned companies.

NOK million	First quarter			Year 2012
	2013	2012	Change	
<b>Share of profit from associated companies</b>				
BKK	101	181	-44 %	382
Agder Energi	151	191	-21 %	408
Others	-50	47	-207 %	80
<b>Associated companies</b>	<b>202</b>	<b>418</b>	<b>-52 %</b>	<b>871</b>

- Lower profit from BKK and Agder Energi is mainly due to lower unrealised changes in value and lower power production in BKK.
- The decline in profit from other associated companies is mainly due to lower revenues from the Philippines. Chile and India contributed with a negative result, but less negative than in the same period last year.

## FINANCIAL ITEMS

NOK million	First quarter			Year 2012
	2013	2012	Change	
<b>Financial items</b>				
Interest income	35	76	-54 %	231
Other financial income	3	3	-24 %	765
<b>Gross financial income</b>	<b>38</b>	<b>80</b>	<b>-52 %</b>	<b>996</b>
Interest expenses	-289	-350	18 %	-1 250
Other financial expenses	-13	-14	2 %	-50
<b>Gross financial expenses</b>	<b>-302</b>	<b>-364</b>	<b>17 %</b>	<b>-1 301</b>
Currency gains and losses	-1 006	1371	-173 %	4 468
Other financial items	-567	-74	-665 %	-1 822
<b>Net financial items</b>	<b>-1 837</b>	<b>1 013</b>	<b>-281 %</b>	<b>2 341</b>

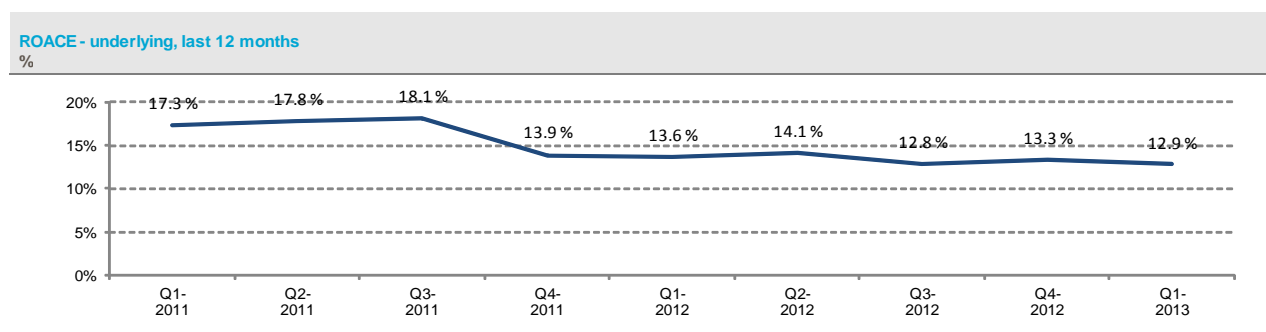
- Financial income fell by NOK 42 million, mainly due to lower return from investments due to a lower average invested amount and lower market interest rates.
- Financial expenses were reduced by NOK 62 million due to lower interest costs as a result of lower interest rates on debt and increased capitalisation of borrowing costs.
- Net currency effects in the first quarter amounted to NOK -1006 million, mainly as a result of weaker NOK against EUR.
- Other financial items declined by NOK 493 million, and include a loss of NOK 158 million for sold E.ON shares. In addition, the remaining shares have been written down by NOK 73 million.

## TAXES

The recorded tax expense was NOK 1785 million in the first quarter (NOK 1479 million). The increase in tax expense is mainly due to higher calculated resource rent tax and derecognition of tax assets.

The fact that the effective tax rate in the Group is higher than 28% is primarily due to hydropower production in Norway being subject to resource rent taxation.

## RETURN



Measured as ROACE<sup>1</sup> the return was on par with the year 2012. The high return in the first quarters in 2011 was mainly due to high operating profit in 2010, primarily in the fourth quarter as a result of high power prices.

Based on the net profit, the net rolling return on equity<sup>2</sup> was 2.6% compared with 7.2% for the year 2012, while net return on total capital<sup>4</sup> was 1.9%, compared with 3.8% for the year 2012. The decline is due to a substantially lower profit in the first quarter of 2013 compared with the first quarter of 2012.

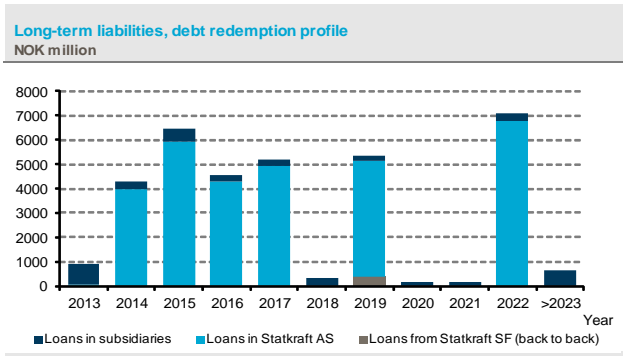
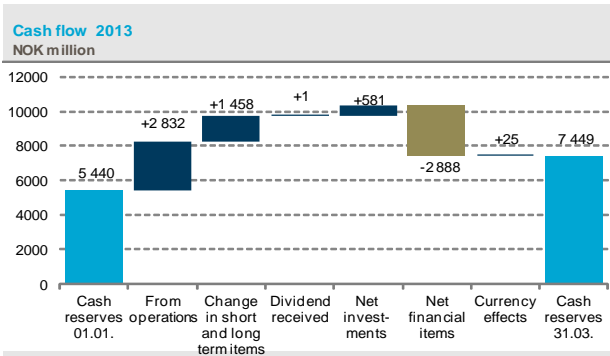
<sup>1</sup> ROACE (%): (Operating profit adjusted for unrealised changes in the value of energy contracts and significant non-recurring items x 100)/average capital employed.

<sup>2</sup> Net return on equity (%): (Result last 12 months x 100)/average equity.

<sup>4</sup> Return on total assets after tax (%): (Net result adjusted for financial expenses last 12 months x 100)/average total assets.



## CASH FLOW AND CAPITAL STRUCTURE



### Cash flow 2013

- The Group's operations generated a cash flow of NOK 2832 million (NOK 2197 million).
- Changes in short and long-term items had a positive effect of NOK 1458 million (NOK 1525 million). This is mainly due to changes in working capital.
- Net investments<sup>5</sup> amounted to NOK 581 million (NOK -4462 million). These are mainly investments in property, plant and equipment of NOK 1608 million, as well as payment received for E.ON shares sold for NOK 2264 million.
- The net liquidity change from financing was NOK -2888 million (NOK 22 million). New borrowings totalled NOK 507 million (NOK 649 million), downpayment of debt amounted to NOK 3395 million (NOK 764 million).
- Translation effects for bank deposits, cash in hand and similar amounted to NOK 25 million.

### Financial structure

At the end of the quarter, Statkraft had the following financial structure:

- Net interest-bearing debt<sup>6</sup> w NOK 32 028 million, compared with NOK 34 960 million at the beginning of the year.
- The net interest-bearing debt-equity ratio was 32.8%, compared with 36.0% at year-end 2012.
- Loans from Statkraft SF to Statkraft AS amounted to NOK 400 million.
- Current assets, excluding cash and cash equivalents, amounted to NOK 17 265 million.
- Short-term interest-free debt amounted to NOK 17 608 million.
- Statkraft had an equity of NOK 65 524 million, compared with NOK 62 437 million at the beginning of the year. This corresponds to 44% of total assets.

## INVESTMENTS AND PROJECTS

Statkraft has an investment programme and an investment strategy that involves NOK 70-80 billion in the period from 2011 to 2015. Total investments in the quarter amounted to NOK 1659 million.

### Investments in the quarter

Maintenance investments (NOK 207 million)

- Hydropower in the Nordic region
- Hydropower outside Europe

Investments in increased capacity (NOK 1444 million)

- Hydropower in Norway
- Hydropower outside Europe
- Wind power in the UK and Sweden
- District heating plants in Norway
- Small-scale hydropower in Norway

Investments in shareholdings (NOK 8 million)

- Hydropower outside Europe

<sup>5</sup> Net investments include investments paid at the end of the quarter, payments from sale of non-current assets, net liquidity out from the Group when acquiring activities, repayment and disbursement of loans.

<sup>6</sup> Net interest-bearing debt: Gross interest-bearing liabilities – cash and cash equivalents (excl. restricted cash) – short-term financial investments

## Projects

First quarter	Project	Country	New capacity (MW) <sup>1)</sup>	Statkraft's ownership share	Planned completion	
<b>Main projects under construction</b>						
Hydropower	Eiriksdal og Makkoren	Norway	56	100 %	2014	Q2
	Nedre Røssåga, phase 1	Norway	-	100 %	2015	Q2
	Nedre Røssåga, phase 2	Norway	100	100 %	2016	
	Kjensvatn	Norway	11	100 %	2014	Q4
	Brokke Nord/Sør	Norway	24	- <sup>2)</sup>	2014	
	Kargi	Turkey	102	100 %	2014	Q3
	Cetin	Turkey	517	100 %	2015	Q4
	Devoll	Albania	272	100 % <sup>4)</sup>	2018	
	Cheves	Peru	171	100 % <sup>3)</sup>	2014	Q2
	Binga	Phillipines	120	50 % <sup>3)</sup>	2014	Q2
Bajo Frio	Panama	58	23 % <sup>3)</sup>	2014	Q2	
Gas power	Knapsack II	Germany	430	100 %	2013	Q2
Wind power	Baillie Windfarm	UK	53	80 %	2013	Q2
	Stamásen	Sweden	60	60 %	2013	Q2
	Mörtjärnberget	Sweden	85	60 %	2013	Q4
	Tollarpjabjär	Sweden	3	90 %	2013	Q4
	Berry Burn	UK	67	100 %	2014	Q1
	Ögonfågeln	Sweden	99	60 %	2014	Q4
	Björkhöjden	Sweden	270	60 %	2015	Q4
District heating	Ås	Norway	24	100 %	2013	Q3
	Sandefjord	Norway	23	100 %	2015	Q2
	Hammargård/Kungsbacka	Sweden	12	100 %	2013	Q4

<sup>1)</sup> Total for project, incl. partners' share.

<sup>2)</sup> Owned by Agder Energi (69%) and Skagerak Energi (31%).

<sup>3)</sup> SN Power's share.

<sup>4)</sup> Under development.

→ There were no committed investments or completed projects in the period.

## Segments

The segment structure follows the internal management information that is systematically reviewed by the corporate management and used for resource allocation and goal attainment. The segments are Nordic hydropower, Continental energy and trading, International hydropower, Wind power, District heating and Industrial ownership. Areas not shown as separate segments are presented under the heading Other activities.

First quarter	Statkraft AS Group	Nordic hydropower	Continental energy and trading	International hydropower	Wind power	District heating	Industrial ownership	Other activities	Group items
<b>From income statement</b>									
Gross operating revenues, underlying	13 068	4 366	5 548	464	241	260	2 499	148	-459
Net operating revenues, underlying	6 112	4 079	461	266	232	140	971	147	-184
EBITDA, underlying	4 180	3 281	142	108	118	75	553	-76	-21
Operating profit, underlying	3 532	2 993	68	61	41	40	442	-93	-21
Operating profit, booked	3 863	3 275	-24	179	41	40	459	-87	-21
Share of profit from associated companies	202	-	-1	-39	-5	-	247	-	-
EBITDA-margin (%), underlying	32.0	75.2	2.6	23.3	48.8	29.0	22.1	-51.4	4.5
Maintenance investments	207	55	12	14	5	-	120	-	-
Investments in new capacity	1 444	246	34	569	339	107	68	80	-
Investments in shareholdings	8	-	-	8	-	-	-	-	-
<b>Production</b>									
Production, volume sold (TWh)	17.4	13.7	0.7	0.8	0.3	-	1.8	0.0	-
- hydropower (TWh)	16.4	13.7	0.1	0.7	-	-	1.8	0.0	-
- wind power (TWh)	0.3	-	-	0.0	0.3	-	-	-	-
- gas power (TWh)	0.6	-	0.6	-	-	-	-	-	-
- bio power (TWh)	0.0	-	0.0	-	-	-	-	-	-
Production, district heating (TWh)	0.5	-	-	-	-	0.5	0.0	-	-

## NORDIC HYDROPOWER

NOK million	First quarter		Year 2012
	2013	2012	
Net operating revenues, underlying	4 079	3 961	12 479
EBITDA, underlying	3 281	3 179	9 409
Operating profit, underlying	2 993	2 900	8 274
Unrealised value changes energy contracts	282	-526	-1 663
Significant non-recurring items	-	-	-
Operating profit, booked	3 275	2 374	6 610
Share of profit from associated companies and joint ventures	-	-	-
Maintenance investments	55	89	460
Investments in new capacity	246	194	1 048
Investments in shareholdings	-	-	-
Production, volume sold (TWh)	13.7	13.8	48.4

### Highlights

- The New Nedre Røssåga projects have started in Vesterli in Korgen. The two projects will rehabilitate the 55-year-old power station and build a new power station in connection with the old. This will give Nedre Røssåga power station an increase in annual production of 200 GWh.
- In the latter half of March, Statkraft Energi AS was granted a licence to build Grasbotntjørni pump in Ulvik Municipality in Hordaland, as well as a licence for transfer of water from Grasbotntjørni to Langvatn. The project will result in an annual production increase in Lang-Sima of almost 8 GWh.

### Financial performance

- Underlying EBITDA was somewhat higher, mainly due to higher net operating revenues as a result of higher market prices for Nordic power. The operating expenses were on par with the same quarter in 2012.

### Investments

- Investments in new capacity are mainly related to the power plants Eriksdal, Makkoren, Nedre Røssåga and Kjensvatn.

## CONTINENTAL ENERGY AND TRADING

NOK million	First quarter		Year 2012
	2013	2012	
Net operating revenues, underlying	461	613	2 016
EBITDA, underlying	142	462	809
Operating profit, underlying	68	344	397
Unrealised value changes energy contracts	-92	399	738
Significant non-recurring items	-	-	-1 986
Operating profit, booked	-24	743	-850
Share of profit from associated companies and joint ventures	-1	-	-31
Maintenance investments	12	6	127
Investments in new capacity	34	362	1 014
Investments in shareholdings	-	-	-
Production, volume sold (TWh)	0.7	0.7	1.9

### Highlights

- In March, Statkraft's Board decided to put the Robert Frank gas power plant (510 MW) in Landesbergen in cold reserve. The operation of the biomass-fired power plant at the same location will be continued.
- A successful test run of the new Knapsack II gas power plant was conducted in March. The power plant will be handed over in the second quarter.

### Financial performance

- The lower underlying EBITDA is mainly due to lower income from market activities as well as higher operating expenses.
- The management portfolios had lower revenues as a result of higher Nordic power prices as well as a lower reduction in German power prices compared with same quarter in 2012.
- The operating expenses were higher than in the same quarter in 2012. Wage-related costs increased, partly due to provisions for reorganisation costs in connection with the Robert Frank gas power plant.

### Investments

- Investments in increased capacity were mainly in connection with the last phase of the completion of the Knapsack II gas power plant in Germany.

## INTERNATIONAL HYDROPOWER

NOK million	First quarter		Year 2012
	2013	2012	
Net operating revenues, underlying	266	266	1 054
EBITDA, underlying	108	108	320
Operating profit, underlying	61	55	98
Unrealised value changes energy contracts	118	-	-113
Significant non-recurring items	-	-	-78
Operating profit, booked	179	55	-93
Share of profit from associated companies and joint ventures	-39	67	146
Maintenance investments	14	11	90
Investments in new capacity	569	378	1 687
Investments in shareholdings	8	2 382	2 433
Production, volume sold (TWh)	0.8	0.7	2.6

### Highlights

- Statkraft and EVN AG have signed an agreement which entails that Statkraft will buy EVN's 50% shareholding in Devoll Hydropower Sha. The agreement is contingent upon approval from the Albanian Ministry of Economy, Trade and Energy, as well as final ratification of the amended licence agreement by the Albanian parliament.
- An agreement regarding sale of SN Power's shares in the Chilean wind farm was entered into in April.

### Financial performance

- EBITDA was on par with the first quarter of 2012.
- Unrealised changes in value for energy contracts were due to rising prices in the Brazilian power market.
- The decline in share of profit from associated companies and joint ventures primarily relates to lower contributions from the activities in the Philippines compared with the same period last year, somewhat offset by improved developments in Chile and India.

### Investments

- Maintenance investments were primarily in connection with hydropower plants in Peru.
- Investments in new capacity were in connection with hydropower developments in Turkey, Peru and Panama.

## WIND POWER

NOK million	First quarter		Year 2012
	2013	2012	
Net operating revenues, underlying	232	89	511
EBITDA, underlying	118	9	-25
Operating profit, underlying	41	-17	-141
Unrealised value changes energy contracts	-	-	-
Significant non-recurring items	-	-	-
Operating profit, booked	41	-17	-141
Share of profit from associated companies and joint ventures	-5	-6	-25
Maintenance investments	5	1	7
Investments in new capacity	339	578	3 188
Investments in shareholdings	-	-	144
Production, volume sold (TWh)	0.3	0.3	0.7

### Highlights

- The onshore wind farms Baillie (52.5 MW) in the UK and Stamåsen (60 MW) in Sweden started production, and this will gradually increase up to the hand-over in June and May, respectively.
- The Skäckarp wind farm (36 MW) in Sweden received a licence.
- The segment has seven wind farms under construction – five in Sweden and two in the UK. The combined installed capacity of these wind farms is 636 MW.

### Financial performance

- EBITDA increased as a result of the Sheringham Shoal offshore wind farm starting full operation in the first quarter of 2013. The farm was still under construction in the corresponding quarter last year. The onshore wind farms saw a decline in EBITDA as a result of lower production due to less wind.
- In total, the segment produced 320 GWh in the first quarter, with 175 GWh from onshore wind farms and 145 GWh from offshore wind farms. This represented an increase of 23%.

### Investments

- The investments in increased capacity relate to the onshore wind farms under construction.



## DISTRICT HEATING

NOK million	First quarter		Year 2012
	2013	2012	
Net operating revenues, underlying	140	110	384
EBITDA, underlying	75	50	142
Operating profit, underlying	40	20	-2
Unrealised value changes energy contracts	-	-	-
Significant non-recurring items	-	-	-
Operating profit, booked	40	20	-2
Share of profit from associated companies and joint ventures	-	-1	-1
Maintenance investments	-	-	-
Investments in new capacity	107	117	369
Investments in shareholdings	-	-	6
Production, volume sold (TWh)	0.5	0.4	0.9

### Highlights

- Two new construction projects were started - a new bio-boiler in Hammargård (12 MW) in Sweden and a new district heating plant in Sandefjord (23 MW). The projects are scheduled for completion in the fourth quarter of 2013 and the second quarter of 2015, respectively.

### Financial performance

- EBITDA increased primarily as a result of higher volumes due to low temperatures, as well as higher prices.
- High availability and good utilisation of base load.

### Investments

- Investments relate primarily to the development in Ås and the development of the district heating grid.

## INDUSTRIAL OWNERSHIP

NOK million	First quarter		Year 2012
	2013	2012	
Net operating revenues, underlying	971	947	3 010
EBITDA, underlying	553	545	1 495
Operating profit, underlying	442	450	1 061
Unrealised value changes energy contracts	17	-29	1
Significant non-recurring items	-	-	-216
Operating profit, booked	459	422	846
Share of profit from associated companies and joint ventures	247	359	781
Maintenance investments	120	69	381
Investments in new capacity	68	121	538
Investments in shareholdings	-	-	-
Production, volume sold (TWh)	1.8	1.9	6.0

### Highlights

- Skagerak has started operation of new district heating plants in Skien, Tønsberg, Horten and Porsgrunn.
- BKK received a licence for construction of a 420-kV power line between Mongstad and Kollsnes.
- BKK received a licence for construction of a 132-kV power line between Samnanger and Øystese.
- BKK has decided to build Matre Haugsdalen power plant, which will replace the current power plant. Installed capacity will increase from 96 to 180 MW, and annual production will increase from 540 to 612 GWh.
- In January, Agder Energi completed the sale of Los Bynett Vestfold to Telenor.
- The Norwegian Water Resources and Energy Directorate has decided to postpone the deadline for automatic metering system (AMS) until 2019. This will influence projects in Skagerak, Agder Energi, BKK and Istad.

### Financial performance

- EBITDA was on par with the same period in 2012.
- The decline in share of profit from associated companies is mainly due to lower revenues from power sales, as well as negative unrealised changes in value, offset some by increased revenues from grid activities.

### Investments

- Investments are proceeding as planned. Most of the investments are in connection with maintenance.

**OTHER ACTIVITIES<sup>1)</sup>**

NOK million	First quarter		Year
	2013	2012	2012
Net operating revenues, underlying	147	168	565
EBITDA, underlying	-76	-121	-787
Operating profit, underlying	-93	-136	-856
Unrealised value changes energy contracts	7	-24	7
Significant non-recurring items	-	60	175
Operating profit, booked	-87	-100	-674
Share of profit from associated companies and joint ventures	-	-	-
Maintenance investments	-	9	-
Investments in new capacity	80	32	229
Investments in shareholdings	-	-	-
Production, volume sold (TWh)	0.0	0.1	0.3

<sup>1)</sup> The segment Other activities includes small-scale hydropower, the shareholding in E.ON SE (3.0%), innovation and group functions.

**Financial performance**

- The positive change in EBITDA is mainly due to lower operating expenses in the first quarter.

**Investments**

- Investments in increased capacity mainly relate to investments in small-scale hydropower and property.

---

## Outlook

The short-term Nordic power prices are expected to be somewhat higher than in 2012. Statkraft's large reservoir capacity with both seasonal and multiple-year reservoirs provides the Group with good flexibility in relation to managing water resources. Production of gas power is expected to remain low due to demanding market conditions. Long-term power contracts contribute to stabilise the Group's earnings.

Flexible Nordic hydropower may have a stronger role in the future with a greater share of solar and wind power in the energy mix and more interconnectors between the Nordic region and the Continent. Statkraft aims to strengthen the Group's position as a result of European facilitation for more renewable energy. Over the course of the next decades, the need for energy outside Europe is expected to increase substantially, especially in emerging economies. Statkraft's investments in international hydropower are based on utilising the Group's expertise to cover some of this need for energy with increased access to renewable energy.

The Group will adapt the overall investment level to ensure that the company maintains a strong financial position.

Oslo, 7 May 2013  
The Board of Directors of Statkraft AS

## Statkraft AS Group Interim Financial Statements

NOK million	First quarter		The year
	2013	2012	2012
<b>COMPREHENSIVE INCOME</b>			
<b>PROFIT AND LOSS</b>			
Sales revenues	12 591	11 041	36 447
Other operating revenues	190	342	1 103
<b>Gross operating revenues</b>	<b>12 781</b>	<b>11 383</b>	<b>37 550</b>
Energy purchase	-6 034	-5 162	-18 172
Transmission costs	-303	-314	-1 026
<b>Net operating revenues</b>	<b>6 443</b>	<b>5 907</b>	<b>18 352</b>
Salaries and payroll costs	-827	-801	-3 046
Depreciation, amortisation and impairments	-648	-616	-4 814
Property tax and licence fees	-408	-335	-1 345
Other operating expenses	-698	-678	-3 469
<b>Operating expenses</b>	<b>-2 580</b>	<b>-2 429</b>	<b>-12 674</b>
<b>Operating profit/loss</b>	<b>3 863</b>	<b>3 477</b>	<b>5 679</b>
<b>Share of profit/loss from associates and joint ventures</b>	<b>202</b>	<b>418</b>	<b>871</b>
Financial income	38	80	996
Financial expenses	-302	-364	-1 301
Net currency effects	-1 006	1 371	4 468
Other financial items	-567	-74	-1 822
<b>Net financial items</b>	<b>-1 837</b>	<b>1 013</b>	<b>2 341</b>
<b>Profit/loss before tax</b>	<b>2 228</b>	<b>4 909</b>	<b>8 890</b>
Tax expense	-1 785	-1 479	-4 220
<b>Net profit/loss</b>	<b>443</b>	<b>3 430</b>	<b>4 671</b>
Of which non-controlling interest	110	210	230
Of which majority interest	333	3 220	4 441
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in fair value of financial instruments	-215	892	337
Estimate deviation pensions	183	-	1 045
Items recorded in other comprehensive income in associates and joint ventures	-	-35	320
Currency translation effects	2 676	-1 846	-4 536
<b>Other comprehensive income</b>	<b>2 644</b>	<b>-989</b>	<b>-2 833</b>
<b>Comprehensive income</b>	<b>3 087</b>	<b>2 441</b>	<b>1 838</b>
Of which non-controlling interest	447	7	-156
Of which majority interest	2 639	2 434	1 994



NOK million	31.03.2013	31.03.2012	31.12.2012	31.12.2011
<b>STATEMENT OF FINANCIAL POSITION</b>				
<b>ASSETS</b>				
Intangible assets	2 885	3 291	3 242	3 136
Property, plant and equipment	90 949	85 878	88 665	85 195
Investments in associates and joint ventures	16 568	17 116	15 924	15 080
Other non-current financial assets	8 564	12 983	10 714	12 163
Derivatives	5 133	6 346	5 397	4 687
<b>Non-current assets</b>	<b>124 100</b>	<b>125 614</b>	<b>123 942</b>	<b>120 261</b>
Inventories	1 181	711	1 588	977
Receivables	10 164	9 511	9 604	9 272
Short-term financial investments	464	466	457	455
Derivatives	5 457	3 592	4 996	5 356
Cash and cash equivalents (included restricted cash)	7 449	8 002	5 440	8 605
<b>Current assets</b>	<b>24 714</b>	<b>22 282</b>	<b>22 084</b>	<b>24 664</b>
<b>Assets</b>	<b>148 813</b>	<b>147 896</b>	<b>146 026</b>	<b>144 925</b>
<b>EQUITY AND LIABILITIES</b>				
Paid-in capital	45 569	45 569	45 569	45 569
Retained earnings	12 573	15 268	9 934	12 840
Non-controlling interest	7 381	7 369	6 934	7 241
<b>Equity</b>	<b>65 524</b>	<b>68 206</b>	<b>62 437</b>	<b>65 651</b>
Provisions	20 612	21 300	20 035	21 350
Long-term interest-bearing liabilities	34 432	29 762	33 517	31 820
Derivatives	5 400	5 162	6 038	4 673
<b>Long-term liabilities</b>	<b>60 444</b>	<b>56 223</b>	<b>59 591</b>	<b>57 842</b>
Short-term interest-bearing liabilities	5 237	7 693	7 108	5 467
Taxes payable	3 100	2 516	3 246	3 411
Other interest-free liabilities	9 799	8 455	9 341	6 960
Derivatives	4 709	4 805	4 303	5 596
<b>Current liabilities</b>	<b>22 845</b>	<b>23 467</b>	<b>23 999</b>	<b>21 433</b>
<b>Equity and liabilities</b>	<b>148 813</b>	<b>147 896</b>	<b>146 026</b>	<b>144 925</b>

NOK million	Paid-in capital	Other equity	Accumulated translation differences	Retained earnings	Total majority	Non-controlling interests	Total equity
<b>STATEMENT OF CHANGES IN EQUITY</b>							
<b>Balance as of 01.01.2011</b>	<b>45 569</b>	20 795	-7 955	<b>12 840</b>	<b>58 409</b>	<b>7 241</b>	<b>65 651</b>
Net profit/loss	-	3 220	-	<b>3 220</b>	<b>3 220</b>	<b>210</b>	<b>3 430</b>
<b>Items in other comprehensive income that recycles over profit/loss</b>							
Changes in fair value of financial instruments	-	857	-	<b>857</b>	<b>857</b>	<b>35</b>	<b>892</b>
Items recorded in other comprehensive income in associates and joint arrangements	-	-35	-	<b>-35</b>	<b>-35</b>	-	<b>-35</b>
Currency translation effects	-	-	-1 609	<b>-1 609</b>	<b>-1 609</b>	<b>-237</b>	<b>-1 846</b>
Total comprehensive income for the period	-	4 042	-1 609	<b>2 433</b>	<b>2 433</b>	<b>7</b>	<b>2 441</b>
Business combinations/divestments	-	-5	-	<b>-5</b>	<b>-5</b>	<b>120</b>	<b>115</b>
Liability of the option to increase shareholding in subsidiary	-	-	-	-	-	<b>-137</b>	<b>-137</b>
Capital increase	-	-	-	-	-	<b>137</b>	<b>137</b>
<b>Balance as of 31.03.2012</b>	<b>45 569</b>	24 832	-9 564	<b>15 268</b>	<b>60 837</b>	<b>7 369</b>	<b>68 206</b>
<b>Balance as of 01.01.2012</b>	<b>45 569</b>	20 795	-7 955	<b>12 840</b>	<b>58 409</b>	<b>7 241</b>	<b>65 651</b>
Net profit/loss	-	4 441	-	<b>4 441</b>	<b>4 441</b>	<b>230</b>	<b>4 671</b>
<b>Items in other comprehensive income that recycles over profit/loss</b>							
Changes in fair value of financial instruments	-	372	-	<b>372</b>	<b>372</b>	<b>-35</b>	<b>337</b>
Estimate deviation pensions	-	1 224	-	<b>1 224</b>	<b>1 224</b>	<b>229</b>	<b>1 453</b>
Income tax related to estimate deviation pensions	-	-343	-	<b>-343</b>	<b>-343</b>	<b>-64</b>	<b>-407</b>
Items recorded in other comprehensive income in associates and joint arrangements	-	320	-	<b>320</b>	<b>320</b>	-	<b>320</b>
Exchange differences arising on translating foreign entities	-	-	-4 020	<b>-4 020</b>	<b>-4 020</b>	<b>-516</b>	<b>-4 536</b>
Total comprehensive income for the period	-	6 014	-4 020	<b>1 994</b>	<b>1 994</b>	<b>-156</b>	<b>1 838</b>
Dividend and Group contribution paid	-	-4 900	-	<b>-4 900</b>	<b>-4 900</b>	<b>-308</b>	<b>-5 208</b>
Business combinations	-	-	-	-	-	<b>126</b>	<b>126</b>
Capital increase	-	-	-	-	-	<b>167</b>	<b>167</b>
Liability of the option to increase shareholding in subsidiary	-	-	-	-	-	<b>-137</b>	<b>-137</b>
<b>Balance as of 31.12.2012</b>	<b>45 569</b>	21 909	-11 975	<b>9 933</b>	<b>55 503</b>	<b>6 934</b>	<b>62 437</b>
Net profit/loss	-	333	-	<b>333</b>	<b>333</b>	<b>110</b>	<b>443</b>
<b>Items in other comprehensive income that recycles over profit/loss</b>							
Changes in fair value of financial instruments	-	-229	-	<b>-229</b>	<b>-229</b>	<b>14</b>	<b>-215</b>
Estimate deviation pensions	-	183	-	<b>183</b>	<b>183</b>	-	<b>183</b>
Currency translation effects	-	-	2 353	<b>2 353</b>	<b>2 353</b>	<b>323</b>	<b>2 676</b>
Total comprehensive income for the period	-	287	2 353	<b>2 639</b>	<b>2 639</b>	<b>447</b>	<b>3 087</b>
<b>Balance as of 31.03.2013</b>	<b>45 569</b>	22 196	-9 623	<b>12 573</b>	<b>58 143</b>	<b>7 381</b>	<b>65 524</b>

NOK million	First quarter		The year
	2013	2012	2012
<b>STATEMENT OF CASH FLOW</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax	2 228	4 909	8 890
Profit/loss on sale of non current assets	2	-15	-28
Depreciation, amortisation and impairments	648	616	4 814
Profit/loss from the sale of shares, and associates and joint ventures	158	-	-81
Share of profit/loss from associates and joint ventures	-202	-418	-871
Unrealised changes in value	1 195	-809	-1 452
Taxes	-1 197	-2 086	-4 426
<b>Cash flow from operating activities</b>	<b>2 832</b>	<b>2 197</b>	<b>6 846</b>
Changes in long term items	-127	-97	-225
Changes in short term items	1 585	1 622	1 710
Dividend from associates	1	271	1 958
<b>Net cash flow operating activities</b>	<b>A</b>	<b>4 291</b>	<b>3 993</b>
		<b>10 290</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in property, plant and equipment, maintenance	-207	-185	-1 065
Investments in property, plant and equipment, new capacity*	-1 401	-1 692	-8 396
Proceeds from sale of non-current assets	2 266	40	126
Business combinations, net liquidity outflow from the Group	-	93	-54
Loans to third parties	-126	-336	-670
Repayment of loans	57	1	8
Considerations regarding investments in other companies	-8	-2 383	-2 433
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>581</b>	<b>-4 462</b>
			<b>-12 484</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New debt	507	649	7 919
Repayment of debt	-3 395	-764	-4 573
Dividend and group contribution paid	-	-	-4 293
Share issue in subsidiary to non-controlling interests	-	137	167
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>-2 888</b>	<b>22</b>
			<b>-780</b>
<b>Net change in cash and cash equivalents</b>	<b>A+B+C</b>	<b>1 984</b>	<b>-447</b>
			<b>-2 974</b>
Currency exchange rate effects on cash and cash equivalents	25	-156	-191
Cash and cash equivalents 01.01	5 440	8 605	8 605
Cash and cash equivalents 31.03/31.12	7 449	8 002	5 440
Unused committed credit lines	12 000	12 000	12 000
Unused overdraft facilities	1 867	2 136	2 205
Restricted Cash	-272	-715	-232

\*Investments in new capacity are NOK 43 million lower than investments in new capacity in the segment reporting due to investment not yet paid.

\*\* Included in cash and cash equivalents are NOK 179 million related to joint operations as of first quarter 2013.

NOK million	Statkraft AS Group	Nordic Hydropower	Continental Energy & Trading	International Hydropower	Wind Power	District Heating	Industrial Ownership	Other activities	Group items
<b>SEGMENTS</b>									
<b>1st Quarter 2013</b>									
Operating revenue external, underlying	12 781	2 941	5 555	464	5	259	2 482	30	1 045
Operating revenue internal, underlying	-	1 425	-6	-	236	1	17	118	-1 791
<b>Gross operating revenues, underlying</b>	<b>12 781</b>	<b>4 366</b>	<b>5 548</b>	<b>464</b>	<b>241</b>	<b>260</b>	<b>2 499</b>	<b>148</b>	<b>-747</b>
<b>Net operating revenues, underlying</b>	<b>6 443</b>	<b>4 079</b>	<b>461</b>	<b>266</b>	<b>232</b>	<b>140</b>	<b>971</b>	<b>147</b>	<b>147</b>
<b>Operating profit/loss, underlying</b>	<b>3 863</b>	<b>2 993</b>	<b>68</b>	<b>61</b>	<b>41</b>	<b>40</b>	<b>442</b>	<b>-93</b>	<b>310</b>
Unrealised value change energy derivatives	-	282	-92	118	-	-	17	7	-331
Non-recurring items	-	-	-	-	-	-	-	-	-
<b>Operating profit/loss</b>	<b>3 863</b>	<b>3 275</b>	<b>-24</b>	<b>179</b>	<b>41</b>	<b>40</b>	<b>459</b>	<b>-87</b>	<b>-21</b>
Share of profit/loss from associates and joint ventures	202	-	-1	-39	-5	-	247	-	-
<b>Profit and loss, before financial items and tax</b>	<b>4 065</b>	<b>3 275</b>	<b>-25</b>	<b>140</b>	<b>36</b>	<b>40</b>	<b>706</b>	<b>-87</b>	<b>-21</b>
<b>Balance sheet 31.03.2013</b>									
Investment in associates and joint ventures	16 568	-	-1	6 731	73	-	9 760	-	5
Other assets	132 245	49 644	4 908	11 647	9 785	2 975	14 447	61 568	-22 729
<b>Total assets</b>	<b>148 813</b>	<b>49 644</b>	<b>4 907</b>	<b>18 378</b>	<b>9 858</b>	<b>2 975</b>	<b>24 207</b>	<b>61 568</b>	<b>-22 724</b>
Depreciations, amortisation and impairments	-648	-289	-73	-47	-77	-35	-110	-17	-
Maintenance investments	207	55	12	14	5	-	120	-	-
Investments in new generating capacity	1 444	246	34	569	339	107	68	80	-
Investments in other companies	8	-	-	8	-	-	-	-	-
<b>1st Quarter 2012</b>									
Operating revenue external, underlying	11 382	3 175	4 607	387	3	203	2 256	60	693
Operating revenue internal, underlying	-	1 093	-10	5	86	-	7	109	-1 290
<b>Gross operating revenues, underlying</b>	<b>11 383</b>	<b>4 267</b>	<b>4 596</b>	<b>392</b>	<b>89</b>	<b>203</b>	<b>2 263</b>	<b>168</b>	<b>-597</b>
<b>Net operating revenues, underlying</b>	<b>5 907</b>	<b>3 961</b>	<b>613</b>	<b>266</b>	<b>89</b>	<b>110</b>	<b>947</b>	<b>168</b>	<b>-246</b>
<b>Operating profit/loss, underlying</b>	<b>3 477</b>	<b>2 900</b>	<b>344</b>	<b>55</b>	<b>-17</b>	<b>20</b>	<b>450</b>	<b>-136</b>	<b>-139</b>
Unrealised value change energy derivatives	-	-526	399	-	-	-	-29	-24	179
Non-recurring items	-	-	-	-	-	-	-	60	-60
<b>Operating profit/loss</b>	<b>3 477</b>	<b>2 374</b>	<b>743</b>	<b>55</b>	<b>-17</b>	<b>20</b>	<b>422</b>	<b>-100</b>	<b>-21</b>
Share of profit/loss from associates and joint ventures	418	-	-	67	-6	-1	359	-	-
<b>Profit/loss before financial items and tax</b>	<b>3 895</b>	<b>2 374</b>	<b>743</b>	<b>122</b>	<b>-23</b>	<b>19</b>	<b>781</b>	<b>-100</b>	<b>-21</b>
<b>Balance sheet 31.03.2012</b>									
Investment in associates and joint ventures	17 116	-	44	7 604	91	-	9 376	-	1
Other assets	130 780	48 540	6 542	8 892	6 534	2 739	13 997	60 690	-17 154
<b>Total assets</b>	<b>147 896</b>	<b>48 540</b>	<b>6 586</b>	<b>16 496</b>	<b>6 625</b>	<b>2 739</b>	<b>23 373</b>	<b>60 690</b>	<b>-17 153</b>
Depreciations, amortisation and impairments	-616	-279	-118	-53	-26	-30	-95	-15	-
Maintenance investments	185	89	6	11	1	-	69	9	-
Investments in new generating capacity	1 782	194	362	378	578	117	121	32	-
Investments in other companies	2 382	-	-	2 382	-	-	-	-	-
<b>The Year 2012</b>									
Operating revenue external, underlying	37 550	10 143	16 857	1 566	17	625	6 691	117	1 533
Operating revenue internal, underlying	-	3 221	-32	1	508	1	33	452	-4 184
<b>Gross operating revenues, underlying</b>	<b>37 550</b>	<b>13 365</b>	<b>16 825</b>	<b>1 567</b>	<b>526</b>	<b>626</b>	<b>6 724</b>	<b>568</b>	<b>-2 651</b>
<b>Net operating revenues, underlying</b>	<b>18 352</b>	<b>12 479</b>	<b>2 016</b>	<b>1 054</b>	<b>511</b>	<b>384</b>	<b>3 010</b>	<b>565</b>	<b>-1 667</b>
<b>Operating profit/loss, underlying</b>	<b>5 679</b>	<b>8 274</b>	<b>397</b>	<b>98</b>	<b>-141</b>	<b>-2</b>	<b>1 061</b>	<b>-856</b>	<b>-3 152</b>
Unrealised value change energy derivatives	-	-1 663	738	-113	-	-	1	7	1 030
Non-recurring items	-	-	-1 986	-78	-	-	-216	175	2 105
<b>Operating profit/loss</b>	<b>5 679</b>	<b>6 610</b>	<b>-850</b>	<b>-93</b>	<b>-141</b>	<b>-2</b>	<b>846</b>	<b>-674</b>	<b>-17</b>
Share of profit/loss from associates and joint ventures	871	-	-31	146	-25	-1	781	-	-
<b>Profit/loss before financial items and tax</b>	<b>6 549</b>	<b>6 610</b>	<b>-881</b>	<b>53</b>	<b>-166</b>	<b>-3</b>	<b>1 627</b>	<b>-674</b>	<b>-17</b>
<b>Balance sheet 31.12.2012</b>									
Investment in associates and joint ventures	15 924	-	-	6 368	82	-	9 463	-	12
Other assets	130 102	48 837	4 808	10 442	9 433	2 874	14 254	58 947	-19 495
<b>Total assets</b>	<b>146 026</b>	<b>48 837</b>	<b>4 808</b>	<b>16 810</b>	<b>9 515</b>	<b>2 874</b>	<b>23 717</b>	<b>58 947</b>	<b>-19 483</b>
Depreciations, amortisation and impairments	-4 814	-1 136	-2 397	-301	-116	-145	-650	-69	-
Maintenance investments	1 065	460	127	90	7	-	381	-	-
Investments in new generating capacity	8 073	1 048	1 014	1 687	3 188	369	538	229	-
Investments in other companies	2 583	-	-	2 433	144	6	-	-	-



## Selected notes to the accounts

### 1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The Group's consolidated financial statements for the first quarter of 2013, ending 31 March 2013, have been prepared in accordance with International Financial Reporting Standards (IFRS) and include Statkraft AS and its subsidiaries and associated companies. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As the information provided in the interim financial statements is less comprehensive than that contained in the annual financial statements, these statements should therefore be read in conjunction with the consolidated annual financial statements for 2012. The interim accounts have not been audited. Applied accounting principles in the quarterly report are the same as those applied in the annual accounts, with the exception of the implementation of IFRS 10, 11, 12 and 13.

The Group has chosen to implement the following standards early, with associated changes in other standards as of the 2013 fiscal year. The report for the first quarter is the first financial statement using the new standards.

- **IFRS 10 Consolidated Financial Statements** The standard relates to definition of subsidiaries and places greater emphasis on actual control than earlier rules did. Investments in subsidiaries and associated companies have been evaluated in accordance with IFRS 10. The implementation of the standard has not resulted in any changes for Statkraft.
- **IFRS 11 Joint arrangements** The standard regulates accounting of activities where Statkraft has joint control with other investors. Joint arrangements shall, in accordance with the new standard, be incorporated in accordance with a method corresponding to proportionate consolidation. The agreement between the participants describing individual rights and obligations in the joint operations will determine how to account for an asset in jointly controlled operations. For Statkraft, this entails that several shareholdings previously presented in accordance with the equity method will now be presented in accordance with proportionate consolidation in accordance with IFRS 11. All entities that meet the definition of joint arrangements will be accounted for using the equity method. The effect of the implementation of IFRS 11 is shown in Note 9.
- **IFRS 12 Disclosure of interests in other entities** The standard sets requirements for note information relating to investments in subsidiaries, associated companies and joint arrangements. The purpose is to provide information about characteristics and risks in relation to the Group's investments in such companies, and which effects this has on the Group's balance sheet, results and cash flows. The standard introduces several new information requirements, particularly for the annual accounts.
- **IFRS 13 Fair Value Measurement** The standard defines principles and guidelines for measuring the fair value of assets and liabilities which other standards require or permit to be measured at fair value. The effect of the implementation of IFRS 13 is limited.

#### **Changed practice for presentation of power sales revenues and energy purchases from 1 January 2013**

Gross presentation is the basis for presentation of revenues in the consolidated financial statements. In 2013, Statkraft has reviewed the existing practice as regards classification of certain energy contracts in the income statement. This has resulted in some contracts that were previously recorded net under sales revenues now being classified gross as either sales revenues or energy purchases. In this connection, reference is made to Note 9, which shows the overall effect as a result of changed practice and implementation of IFRS 11.

### 2. PRESENTATION OF FINANCIAL ACCOUNTS

The presentation of the interim report has been prepared in accordance with the requirements in IAS 34. The schedules comply with the requirements in IAS 1. Comparable figures following the implementation of the changed accounting principles have been converted, and the effect presented in Note 9.

### 3. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies in connection with the preparation of the interim financial statements, the management has exercised its judgment and employed estimates and assumptions that affect the figures included in the income statement and balance sheet.

The most important assumptions regarding future events and other significant sources of uncertainty in relation to the estimates that can have a significant risk of material changes to the amounts recognised in future accounting periods are discussed in the annual accounts for 2012.

In preparing the consolidated financial statements for the first quarter, the Group's management has exercised its judgment in relation to the same areas where such judgment has had material significance in relation to the figures included in the Group's income statement and balance sheet, as discussed in the annual financial statements for 2012.

#### 4. SEGMENT REPORTING

The Group reports operating segments in accordance with how the corporate management makes, follows up and evaluates its decisions. The operating segments have been identified on the basis of internal management information that is periodically reviewed by the management and used as a basis for resource allocation and key performance review.

#### 5. UNREALISED EFFECTS PRESENTED IN THE INCOME STATEMENT

The table below shows the lines in the financial statements where the unrealised effects appear.

NOK million	First Quarter 2013		
	Unrealised	Realised	Total
<b>UNREALISED EFFECTS REPORTED IN P&amp;L</b>			
Sales revenues			
Long term contracts	-288	1 741	<b>1 453</b>
Nordic and Continental Dynamic Asset Management Portfolio	-8	55	<b>47</b>
Trading and origination	-26	295	<b>269</b>
End User	2	1 590	<b>1 593</b>
Other sales revenues	-	9 219	<b>9 219</b>
Eliminations	7	4	<b>10</b>
<b>Total sales revenues</b>	<b>-313</b>	<b>12 904</b>	<b>12 591</b>
Energy purchase	618	-6 653	<b>-6 034</b>
Net currency effects	-1 089	83	<b>-1 006</b>
Other financial items			
Net gains and losses on derivatives and securities	-337	1	<b>-336</b>
Impairment and gain/loss of financial assets	-73	-158	<b>-231</b>
<b>Total unrealised effects</b>	<b>-1 195</b>		

NOK million	First Quarter 2012			The Year 2012		
	Unrealised	Realised	Total	Unrealised	Realised	Total
<b>UNREALISED EFFECTS REPORTED IN P&amp;L</b>						
Sales revenues						
Long term contracts	-549	1 555	<b>1 006</b>	-1 613	6 179	<b>4 566</b>
Nordic and Continental Dynamic Asset Management Portfolio	106	194	<b>301</b>	71	525	<b>596</b>
Trading and origination	-2	214	<b>211</b>	460	266	<b>726</b>
End User	-	1 397	<b>1 397</b>	-	4 024	<b>4 024</b>
Other sales revenues	-	8 133	<b>8 133</b>	-	26 534	<b>26 534</b>
Eliminations	-24	16	<b>-8</b>	7	-6	<b>1</b>
<b>Total sales revenues</b>	<b>-469</b>	<b>11 509</b>	<b>11 041</b>	<b>-1 076</b>	<b>37 523</b>	<b>36 447</b>
Energy purchase	288	-5 450	<b>-5 162</b>	506	-18 678	<b>-18 172</b>
Net currency effects	1 059	312	<b>1 371</b>	3 815	653	<b>4 468</b>
Other financial items						
Net gains and losses on derivatives and securities	-69	-2	<b>-71</b>	347	2	<b>349</b>
Impairment and gain/loss of financial assets	-	-3	<b>-3</b>	-2 140	-30	<b>-2 171</b>
<b>Total unrealised effects</b>	<b>809</b>			<b>1 452</b>		

#### 6. OTHER FINANCIAL ASSETS

Other financial fixed assets in the balance sheet include the shareholding in E.ON SE, which is recognised at NOK 6142 million. Shares are classified as assets available for sale and recognised in the accounts at fair value with changes in value recorded in comprehensive income. Statkraft has reduced its shareholding from 83.4 million shares to 60 million shares over the course of the first quarter. The sale has resulted in a loss of NOK 158 million. The negative change for the remaining shares in 2013 is NOK 73 million, which has been recorded as an impairment of financial assets. The remaining shareholding of 60 million shares has been sold after the end of the quarter and has released up an additional NOK 6.3 billion.

#### 7. CURRENCY EFFECTS ON INTERNAL LOANS

Net currency effects on internal loans as of the first quarter amounted to NOK -721 million, of which NOK -635 million was unrealised. The loss arose mainly as a result of a weaker NOK against EUR. Statkraft Treasury Centre (STC) provides loans to the Group's companies, mainly in the companies' local currency. STC prepares its accounts in EUR and reports currency effects of lending in the income statement. Subsidiaries with borrowing in EUR, but with a different reporting currency, report currency effects in their respective income statements. Currency gains and losses of this nature will not be offset by corresponding effects in the Group's income statement. Foreign subsidiary accounts are converted into NOK upon consolidation and currency effects on internal loans are recognised in other comprehensive income. This equalises currency gains and losses added to the equity through the income statement.

## 8. HEDGE ACCOUNTING

Statkraft has used hedge accounting in 2013 that has reduced volatility in the income statement. A major share of the debt in EUR has been hedged against market rate changes.

Statkraft has established hedging for accounting purposes of the net investment in STC in EUR. The effect of this is that NOK 340 million in losses will not be recognised in the income statement, but recognised in other comprehensive income.

## 9. CHANGED ACCOUNTING PRINCIPLES

Statkraft has changed accounting principles from the equity method to proportionate consolidation in accordance with IFRS 11 Joint Arrangements for the following investments:

- Scira Offshore Energy Ltd. (Sheringham Shoal)
- Dudgeon Offshore Wind Ltd.
- Forewind Ltd.
- Naturkraft AS
- Kraftwerksgesellschaft Herdecke, GmbH & Co. KG

The effect of the implementation of IFRS 11, as well as the transition to gross presentation for some contracts, is shown in the tables below:

NOK million	First quarter 2012	The year 2012
<b>COMPREHENSIVE INCOME</b>		
<b>PROFIT AND LOSS</b>		
Increase in gross operating revenues*	2 283	5 219
Increase in net operating revenues	379	693
Increase (-)/decrease (+) in operating expenses	37	-380
<b>Changes in operating profit/loss</b>	<b>416</b>	<b>314</b>
Decrease in share of profit/loss from associates and joint ventures	-344	-153
Changes in net financial items	-17	-76
<b>Changes in profit/loss before tax</b>	<b>55</b>	<b>84</b>
Increase in tax expense	-55	-84
<b>Changes in net profit/loss</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Changes in other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Changes in comprehensive income</b>	<b>-</b>	<b>-</b>

\* Increase in gross operating revenues, include increase from changes to gross presentation of different contracts of NOK 2285 million for first quarter 2012 and NOK 5236 million for the year 2012. The opposite effect is presentet in energy purchase, leaving a net effect of zero of net operating revenue.

NOK million	31.03.2012	31.12.2012	31.12.2011
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
Increase in intangible assets	25	28	29
Increase in property, plant and equipment	4 303	5 608	3 954
Decrease om investments in associates and joint ventures	-1 312	-2 050	-1 029
Increase in other non current assets	684	616	372
Increase in cash and cash equivalents (included restricted cash)	241	394	322
Increase in other current assets	-3 018	-3 562	-2 601
<b>Increase in assets</b>	<b>923</b>	<b>1 034</b>	<b>1 046</b>
<b>EQUITY AND LIABILITIES</b>			
Changes in equity	-	-	-
Changes in long-term liabilities	550	490	490
Changes in current liabilities	373	544	559
<b>Changes in equity and liabilities</b>	<b>923</b>	<b>1 034</b>	<b>1 047</b>

NOK million	First quarter 2012	The year 2012
<b>STATEMENT OF CASH FLOW</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Changes in Net cash flow operating activities	105	-342
Changes in net cash flow from investing activities	-22	254
Changes in Net cash flow from financing activities	-1	16





---

Interim Report  
Q1/2013  
Statkraft AS

---

Statkraft AS  
PO Box 200 Lilleaker  
NO-0216 Oslo  
Tel: +47 24 06 70 00  
Fax: +47 24 06 70 01  
Visiting address:  
Lilleakerveien 6

Organisation no:  
Statkraft AS: 987 059 699

[www.statkraft.com](http://www.statkraft.com)